

"(g) REQUIRED ACTIONS UPON DEFAULT.—
 "(1) DEADLINES.—
 "(A) INITIAL ACTIONS.—Not later than the 45th day after the date on which a payment on a loan funded through a debenture guaranteed under this section is due and not received, the Administration shall—
 "(i) take all necessary steps to bring such a loan current; or
 "(ii) implement a formal written deferral agreement.
 "(B) PURCHASE OR ACCELERATION OF DEBENTURE.—Not later than the 65th day after the date on which a payment on a loan described in subparagraph (A) is due and not received, and absent a formal written deferral agreement, the Administration shall take all necessary steps to purchase or accelerate the debenture.
 "(2) PREPAYMENT PENALTIES.—The Administration shall, with respect to the portion of any project derived from funds set forth in section 502(3)—
 "(A) negotiate the elimination of any prepayment penalties or late fees on defaulted loans made prior to September 30, 1996;
 "(B) decline to pay any prepayment penalty or late fee on the default based purchase of loans issued after September 30, 1996; and
 "(C) for any project financed after September 30, 1996, decline to pay any default interest rate higher than the interest rate on the note prior to the date of default."

SEC. 204. LOAN LIQUIDATION PILOT PROGRAM.

(a) IN GENERAL.—The Administrator shall carry out a loan liquidation pilot program (in this section referred to as the "pilot program") in accordance with the requirements of this section.
 (b) SELECTION OF DEVELOPMENT COMPANIES.—Not later than 90 days after the date of the enactment of this Act, the Administrator shall allow not less than 15 development companies authorized to make loans and issue debentures under title V of the Small Business Investment Act of 1958 to participate in the pilot program. The development companies admitted shall agree not to take any action that would create a potential conflict of interest involving the development company, the third party lender, or an associate of the third party lender. In order to qualify to participate in the pilot, each development company shall—
 (1) have a minimum of 6 years experience in the program established by such title V;
 (2) have made, during the last 6 fiscal years, an average of 10 loans per year through the program established by such title V; and
 (3) have a minimum of 2 years experience, either independently or through an agent, in liquidating loans under the authority of a Federal, State, or other lending program.

(c) AUTHORITY OF DEVELOPMENT COMPANIES.—The development companies selected under subsection (b) shall, for all loans in their portfolio of loans made through debentures guaranteed under title V of the Small Business Investment Act of 1958 that are in default after the date of enactment of this Act, be authorized to—

(1) perform all liquidation and foreclosure functions, including the acceleration or purchase of community injection funds, subject to such company obtaining prior written approval from the Administrator before committing the agency to purchase any other indebtedness secured by the property: *Provided*, That the Administrator shall approve or deny a request for such purchase within a period of 5 business days; and
 (2) liquidate such loans in a reasonable and sound manner and according to commercially accepted practices pursuant to a liquidation plan approved by the administrator in advance of its implementation. If the Administrator does not approve or deny a re-

quest made by a certified development company within a period of 5 business days, such request shall be deemed to be approved.

(d) AUTHORITY OF THE ADMINISTRATOR.—In carrying out the pilot program, the Administrator shall—

(1) have full authority to deny participation in the pilot program or rescind the authority granted any development company under this section upon a 10-day written notice stating the reasons for the denial or rescission; and
 (2) implement the pilot program no later than 90 days after the admission of the development companies specified in subsection (b).

(e) REPORT.—
 (1) IN GENERAL.—The Administrator shall issue a report on the results of the pilot program to the Committees on Small Business of the House of Representatives and the Senate. The report shall include information relating to—
 (A) the total dollar amount of each loan and project liquidated;
 (B) the total dollar amount guaranteed by the Administration;
 (C) total dollar losses;
 (D) total recoveries both as percentage of the amount guaranteed and the total cost of the project; and
 (E) a comparison of the pilot program information with the same information for liquidation conducted outside the pilot program over the period of time.

(2) REPORTING PERIOD.—The report shall be based on data from, and issued not later than 90 days after the close of, the first eight 8 fiscal quarters of the pilot program's operation after the date of implementation.

SEC. 205. REGISTRATION OF CERTIFICATES.
 (a) CERTIFICATES SOLD PURSUANT TO SMALL BUSINESS ACT.—Section 5(h) of the Small Business Act (15 U.S.C. 634(h)) is amended—
 (1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D);
 (2) by striking "(h)" and inserting "(h)(1)";
 (3) by striking subparagraph (A), as redesignated by paragraph (1) of this subsection, and inserting the following:

"(A) provide for a central registration of all loans and trust certificates sold pursuant to subsections (f) and (g) of this section;" and
 (4) by adding at the end the following:

"(2) Nothing in this subsection shall prohibit the utilization of a book-entry or other electronic form of registration for trust certificates. The Administration may, with the consent of the Secretary of the Treasury, use the book-entry system of the Federal Reserve System."

(b) CERTIFICATES SOLD PURSUANT TO SMALL BUSINESS INVESTMENT COMPANY PROGRAM.—Section 321(f) (15 U.S.C. 6871(f)) is amended—

(1) in paragraph (1) by striking "Such central registration shall include" and all that follows through the period at the end of the paragraph; and
 (2) by adding at the end the following:

"(5) Nothing in this subsection shall prohibit the use of a book-entry or other electronic form of registration for trust certificates."

(c) CERTIFICATES SOLD PURSUANT TO DEVELOPMENT COMPANY PROGRAM.—Section 505(f) (15 U.S.C. 697b(f)) is amended—
 (1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D);
 (2) by striking "(f)" and inserting "(f)(1)";
 (3) by striking subparagraph (A), as redesignated by paragraph (1) of this subsection, and inserting the following:

"(A) provide for a central registration of all trust certificates sold pursuant to this section;" and
 (4) by adding at the end the following:

"(2) Nothing in this subsection shall prohibit the utilization of a book-entry or other

electronic form of registration for trust certificates."

SEC. 206. PREFERRED SURETY BOND GUARANTEE PROGRAM.

(a) ADMISSIONS OF ADDITIONAL PROGRAM PARTICIPANTS.—Section 411(a) (15 U.S.C. 694(a)) is amended by adding a new paragraph (5), as follows:

"(5)(A) The Administration shall promptly act upon an application from a surety to participate in the Preferred Surety Bond Guarantee Program, authorized by paragraph (3), in accordance with criteria and procedures established in regulations pursuant to subsection (d).
 "(B) The Administration is authorized to reduce the allotment of bond guarantee authority or terminate the participation of a surety in the Preferred Surety Bond Guarantee Program based on the rate of participation of such surety during the 4 most recent fiscal year quarters compared to the median rate of participation by the other sureties in the program."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to applications received (or pending substantive evaluation) on or after October 1, 1995.

SEC. 207. SENSE OF THE CONGRESS.
 It is the sense of the Congress that the subsidy models prepared by the Office of Management and Budget relative to loan programs sponsored by the United States Small Business Administration have a tendency to:

- (1) overestimate potential risks of loss; and
- (2) overemphasize historical losses that may be anomalous and do not truly reflect the success of the programs as a whole.

Consequently, Congress mandates the independent study in section 103(h) with hopes of improving the ability of the Office of Management and Budget to more accurately reflect the budgetary implications of such programs.

The bill, as amended, was ordered to be engrossed and read a third time, was read a third time by title.

The question being put, viva voce,
 Will the House pass said bill?

The SPEAKER pro tempore, Mr. BARRETT of Nebraska, announced that the yeas had it.

Mr. LAFALCE objected to the vote on the ground that a quorum was not present and not voting.

A quorum not being present,

The roll was called under clause 4, rule XV, and the call was taken by electronic device.

When there appeared { Yeas 408
 Nays 0

¶102.22

[Roll No. 406]

YEAS—408

Abercrombie	Bentsen	Brownback
Ackerman	Bereuter	Bryant (TN)
Allard	Berman	Bryant (TX)
Andrews	Bevill	Bunn
Archer	Bilbray	Bunning
Armey	Bilirakis	Burr
Bachus	Bishop	Burton
Baessler	Bliley	Buyer
Baker (CA)	Blumenauer	Callahan
Baker (LA)	Blute	Calvert
Baldacci	Boehlert	Camp
Ballenger	Boehner	Campbell
Barcia	Bonilla	Cardin
Barr	Bonior	Castle
Barrett (NE)	Bono	Chabot
Barrett (WI)	Borski	Chambliss
Bartlett	Boucher	Chapman
Barton	Brewster	Chenoweth
Bass	Browder	Christensen
Bateman	Brown (CA)	Clay
Becerra	Brown (FL)	Clayton
Beilenson	Brown (OH)	Clement

Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Creameans
Cubin
Cummings
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
DeLay
Dellums
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Gedden
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman

Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee
(TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalfe
Meyers
Mica
Millender
McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari

Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Oliver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner

Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns

Trafigant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman

Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (FL)
Zimmer

NOT VOTING—25

Canady
Chrysler
Collins (IL)
Conyers
de la Garza
Deutsch
Dooley
Durbins
Engel

Fields (TX)
Ganske
Geren
Gibbons
Hansen
Harman
Hayes
Kingston
Lantos

Nadler
Quillen
Rose
Sanford
Williams
Young (AK)
Zeliff

So the bill was passed.

A motion to reconsider the vote whereby said bill was passed was, by unanimous consent, laid on the table.

Ordered, That the Clerk request the concurrence of the Senate in said bill.

¶102.23 FOOD DONATIONS

On motion of Mr. GOODLING, by unanimous consent, the bill (H.R. 2428) to encourage the donation of food and grocery products to nonprofit organizations by giving the Model Good Samaritan Food Donation Act the full force and effect of law; together with the following amendments of the Senate thereto, was taken from the Speaker's table:

Page 2, line 8, after "striking" insert: "the title heading and".

Page 2, strike out line 15 and insert: "Samaritan";

(C) in subsection (b)(7), to read as follows: "(7) GROSS NEGLIGENCE.—The term 'gross negligence' means voluntary and conscious conduct (including a failure to act) by a person who, at the time of the conduct, knew that the conduct was likely to be harmful to the health or well-being of another person.";

Page 2, strike out all after line 15, over to and including line 11 on page 3 and insert:

(D) by striking subsection (c) and inserting the following:

"(C) LIABILITY FOR DAMAGES FROM DONATED FOOD AND GROCERY PRODUCTS.—

"(1) LIABILITY OF PERSON OR GLEANER.—A person or gleaner shall not be subject to civil or criminal liability arising from the nature, age, packaging, or condition of apparently wholesome food or an apparently fit grocery product that the person or gleaner donates in good faith to a nonprofit organization for ultimate distribution to needy individuals.

"(2) LIABILITY OF NONPROFIT ORGANIZATION.—A nonprofit organization shall not be subject to civil or criminal liability arising from the nature, age, packaging, or condition of apparently wholesome food or an apparently fit grocery product that the nonprofit organization received as a donation in good faith from a person or gleaner for ultimate distribution to needy individuals.

"(3) EXCEPTION.—Paragraphs (1) and (2) shall not apply to an injury to or death of an ultimate user or recipient of the food or grocery product that results from an act or omission of the person, gleaner, or nonprofit organization, as applicable, constituting gross negligence or intentional misconduct."; and

Page 3, after line 11 insert:

(E) in subsection (f), by adding at the end the following: "Nothing in this section shall

be construed to supersede State or local health regulations.".

Page 4, after line 1 insert:

(c) CONFORMING AMENDMENT.—The table of contents for the National and Community Service Act of 1990 is amended by striking the items relating to title IV.

On motion of Mr. GOODLING, said Senate amendments were agreed to.

A motion to reconsider the vote whereby said Senate amendments were agreed to was, by unanimous consent, laid on the table.

Ordered, That the Clerk notify the Senate thereof.

¶102.24 ADJOURNMENT OVER

On motion of Mr. ARMEY, by unanimous consent,

Ordered, That when the House adjourns today, it adjourn to meet on Monday, September 9, 1996.

¶102.25 HOUR OF MEETING

On motion of Mr. ARMEY, by unanimous consent,

Ordered, That when the House adjourns on Monday, September 9, 1996, it adjourn to meet at 12:30 p.m. on Tuesday, September 10, 1996, for "morning hour" debates.

¶102.26 HOUR OF MEETING

On motion of Mr. ARMEY, by unanimous consent,

Ordered, That when the House adjourns on Tuesday, September 10, 1996, it adjourn to meet at 9:00 a.m. on Wednesday, September 11, 1996.

¶102.27 CALENDAR WEDNESDAY BUSINESS DISPENSED WITH

On motion of Mr. ARMEY, by unanimous consent,

Ordered, That business in order for consideration on Wednesday, September 11, 1996, under clause 7, rule XXIV, the Calendar Wednesday rule, be dispensed with.

¶102.28 ORDER OF BUSINESS—RECESS

On motion of Mr. ARMEY, by unanimous consent,

Ordered, That at any time on Wednesday, September 11, 1996, the Speaker may declare a recess, subject to the call of the Chair, for the purpose of receiving in joint meeting His Excellency John Bruton, Prime Minister of Ireland.

¶102.29 MESSAGE FROM THE PRESIDENT—EMIGRATION LAWS AND POLICIES OF MONGOLIA

The SPEAKER pro tempore, Mr. BARRETT of Nebraska, laid before the House a message from the President, which was read as follows:

To the Congress of the United States:

I hereby transmit a report concerning emigration laws and policies of Mongolia as required by subsections 402(b) and 409(b) of title IV of the Trade Act of 1974, as amended ("the Act"). I have determined that Mongolia is in full compliance with the criteria in subsections 402(a) and 409(b) of the act. As required by title IV, I will provide the Congress with periodic reports re-